

Why I Was Fired From the CIA

STATINTL

BY WILLIAM COLBY

The meeting with President Ford lasted about fifteen minutes. And in those fifteen minutes my thirty-year career in intelligence came to an abrupt end

The plane landed at Washington's National Airport just after midnight, so it was already Sunday, November 2, 1975. I was returning from Jacksonville, Florida, where I had gone for a meeting with visiting Egyptian president Anwar el-Sadat. But Barbara Walters had gotten to him first and had overstayed her time, so I never did get to see him. Happy to be back in Washington, I was looking forward to an agreeable Sunday. My wife, Barbara, and I would go to mass and then go to a picnic or go for a bike ride along the canal. But it was not to be.

The security officer with my car, waiting outside Page Airways when I disembarked from the plane, handed me an urgent message: I was to call John Marsh, counselor to the President, no matter how late I arrived. There was a phone in the limousine, but for security's sake I went into the terminal and placed the call from a pay booth. Marsh was asleep. I apologized for waking him. No, that was all right, he said. Could I be at the Oval Office at eight this morning? Of course I could.

Ordinarily, on being summoned to see the President, I would ask what for, so I could bone up on whatever topic was to be the subject of discussion. But this time I didn't. Marsh, obviously, was eager to get back to sleep, and I was tired too, anxious to get home and to bed myself. And besides, I could make a pretty fair guess as to what it was probably about. The previous day, Saturday, the press had broken a story revealing that the CIA had been covertly funneling aid to Kurdish rebels in Iraq. We had talked of these

leaks at the usual meeting in the White House basement all that morning. So it was more than likely that the President was assembling a group of aides to discuss how leaks of sensitive material like this could be prevented. All the usual people would be there, I figured: Scowcroft; Buchen; someone from the Pentagon, possibly Schlesinger himself; Mike Duval; probably Don Rumsfeld; besides Marsh and myself.

But they weren't. Aside from the secret service on duty at the side door, the West Wing of the White House at seven forty-five that Sunday morning was deserted. The anteroom to the Oval Office was empty until Marsh came in a couple of moments after I arrived. Apparently my guess at what this was all about was wrong. Still, I took a crack at it.

"Boy, that Kurdish story, that's some fine mess, isn't it, Jack?" I said. Marsh nodded absently. "I'd bet anything that it came from the House committee," I went on. Marsh shrugged and looked away, clearly uninterested in pursuing the subject. I made a few more desultory remarks and then let it drop, puzzled. We stood around in a rather awkward silence.

Promptly at eight, President Ford showed up. He came from the White House residence along the enclosed porch, passed the Rose Garden, and went directly into the Oval Office without seeing us. He was accompanied by two secret service men. After a few moments, one of them invited us in.

Ford was seated behind the huge, handsome presidential desk, looking a bit grim, and, as he was to fly to Florida to meet with Sadat later in the morning, he had a thick black briefing book on the Middle East situation in front of him. He set it aside as soon as Marsh and I walked in. I had seen the President regularly in the past year, but ours could not in any way be characterized as a personal relationship. Ford, while always cordial,

dealt with me in a fairly formal manner. He did not stand up now; we didn't shake hands. I said, "Good morning, Mr. President. Jack said you wanted to see me."

"Yes," he replied, indicating that I should take a seat in the straight armchair in front of the desk. "We are going to do some reorganizing of the national security structure."

He need not have said another word. From that sentence I realized immediately why I had been summoned: I was about to be fired as the director of Central Intelligence.

Ford did not put it quite so bluntly. In the time-honored political tradition of dealing with sticky things of this sort, he said he wanted me to take a new job, as ambassador to NATO. He then sketched the reorganization—which is to say, the sweeping personnel changes—he had in mind. It was what later was to be dubbed the Halloween Massacre, and it included the sacking of Jim Schlesinger as Secretary of Defense and Nelson Rockefeller's withdrawal as Ford's running mate on the 1976 GOP ticket. At the time, however, Ford didn't mention to me what was in store for Schlesinger; for the perfectly good reason that he hadn't yet mentioned it to him. But he did tell me that, under his reorganizational scheme, Henry Kissinger would be giving up his post as national security assistant to the President and moving over exclusively to the State Department, and that Brent Scowcroft would take over Kissinger's role as presidential assistant. And he told me that George Bush was coming back from China to replace me as the new CIA chief.

He then made a bit of a sales pitch for me to take the NATO post. He said that it was the job Don Rumsfeld had held before being appointed White House chief of staff. Obviously he was anxious for me to take it, if for no other reason than to have his rather politically explosive series

William Colby is a former director of the CIA. This article is excerpted from the book Honorable Men, by Mr. Colby with Peter Forbath, to be published by Simon and Schuster late in May.

of personnel changes appear to take place smoothly and uncontroversially. I would, wouldn't I?

"I would like to think about it a bit, Mr. President," I replied. "I would like to talk it over with Barbara." I was sure he would understand that, I said, as he often consulted with his wife on matters that affected them personally. But I said there and then that I had some reservations. I was concerned, for example, about the negative political impact that the naming of a former CIA director to the NATO position could have, the political demonstrations that it could stir up in the countries of the alliance, and the disfavor with which the governments of those countries might consequently view the appointment.

Ford was quick to try and reassure me. I needn't be concerned, he said, because the appointment would be as the President's personal representative and thus didn't need the approval of the NATO countries.

"I realize that, Mr. President," I said, but went on to say, "nevertheless, I really need to think about it and talk to my wife about it."

"All right," Ford said. "Let us know your decision as soon as possible."

"Yes, sir, I will. I'll get in touch with Jack later in the morning," I said. He said the changes would be formally announced on Monday and asked me to keep them to myself until then. I agreed.

There was nothing further to say. I stood up. The meeting was over. It had lasted about fifteen minutes. And in those fifteen minutes my thirty-year career as an intelligence officer had been abruptly brought to an end.

I should have been shattered, but my old discipline of thinking of the next step ahead took over. I wanted to catch Barbara, who would be leaving home in time to make a nine o'clock mass across town. We were going to have to figure out what we should do about the NATO job offer. Marsh, at my elbow as we left the Oval Office, anxiously asked, "You are going to take it, aren't you?" revealing just how important it was that the "reorganization" go without a hitch, that all the players in it be happily in place before it was officially announced to the press. But I suspected even then that I wasn't going to oblige (nor, I later discovered, was Schlesinger; he turned down Ford's offer to be chairman of the Export-Import

Bank on the spot, and rather angrily).

Apart from the negative reaction I felt the appointment could inspire in Europe, a couple of other things bothered me. I doubted, for one thing, that I would be able to do anything worthwhile in the job with Kissinger as Secretary of State, what with his well-known preference for conducting foreign policy personally rather than through ambassadors. And it could be a very short-term assignment, what with the President facing an uphill reelection campaign just a year away.

I didn't say any of this to Marsh just then. When he left me, I found a phone in the reception area and called Barbara. I caught her ready to leave and asked her to skip her planned activities and wait for me, as we had to discuss something important. Then, as I hurried to the basement entrance to the West Wing of the White House, I ran into Schlesinger. He was

somewhat surprised. "What the devil are you doing here at this hour?" he asked. It was clear that he had no inkling as to what was afoot, but I didn't think it was my place to inform him, so I muttered that I had talked of the Kurdish exposure and hurried on my way.

By the time I got home, talked the situation over with Barbara, and called the White House, Marsh had taken off with the President for Florida to meet with Sadat. The White House operator put me through to Air Force One. "Jack, the answer is no, with great respect and appreciation," I said to Marsh when I got him on the phone. "Okay," Marsh said. "I'll tell the President. I'm sorry."

That done, Barbara and I set about informing our family. No one was surprised. And I suddenly realized, now that I had my first moment to reflect on what had happened, that I wasn't either. Indeed, I had been expecting this, steeling myself for it for nearly a year, the year in which the CIA had come under the most intensive public scrutiny in its history.

I believe I was fired because of the way I went about dealing with the CIA's crisis. My approach, pragmatically and philosophically, was in conflict with that of the President and his principal advisers. From their point of view, I had not, during the turbulent year, played the game as a loyal member of the White House "team."

My strategy had been to cooperate with the investigations. To say the very least, most of the White House staff and, for that matter, much of the intelligence community were not enthusiastic about what I was doing. Their preferred approach, bluntly put, would have been to stonewall, to disclose as little as they could get away with, and to cry havoc and

appeal to the national security about what they couldn't.

Vice-President Nelson Rockefeller went so far as to warn me not to tell too many secrets to *his* commission investigating the CIA. And after I had become a regular performer before the Senate select committee, Kissinger, in a sarcastic reference to my Catholicism, cracked, "Bill, you know what you do when you go up to the Hill? You go to confession."

The Family Jewels

The White House wanted to protect the "family jewels"—the name given a list of questionable CIA deeds. My involvement began when I read a newspaper story on a trip to Bangkok back in 1973. It was the story that reported that during Daniel Ellsberg's trial for disclosing the Pentagon Papers it had been revealed that the

office of his psychiatrist, Dr. Lewis J. Fielding, had been broken into by Howard Hunt, using CIA equipment, in search of material on Ellsberg which was then turned over to the CIA and from which the CIA prepared a "psychiatric profile" on Ellsberg for the White House. This was a shocker, and I couldn't understand how I had never heard of it before. But more disturbingly, I wondered how the news had hit James Schlesinger, then the director of Central Intelligence.

I didn't have to wait long after my return home to find out Schlesinger's reaction. Schlesinger said we would tear the place apart and "fire everyone if necessary," but we had to find out whether there were any other such questionable or illegal activities hidden in the recesses of the clandestine past that we didn't know about and that might explode at any time under our feet. And to do this,

CONTINUED

Schlesinger said that he wanted to issue a directive to all employees ordering them to come forward with any matter they knew of where the Agency had engaged in an activity outside its proper charter. And with that directive, which he issued on May 9, the CIA family jewels were born, leading inexorably to a year of congressional investigations and a whole new status for American intelligence.

The directives and Schlesinger's forcefulness had their effect. And the inspector general's office compiled a list of "potential flap activities," which consisted of 693 pages of possible violations of, or at least questionable activities in regard to, the CIA's legislative charter. Presented to the director so that he would know about them, they were promptly dubbed by a wag the family jewels. Among them were the Chaos operation against the antiwar movement, the surveillance and bugging of American journalists in the hope of locating the sources of leaks of sensitive materials, and all the connections with the Watergate conspirators and White House "plumbers." In addition, the list mentioned the mail-intercept program that the Agency's counterintelligence staff, under James Angleton, had been conducting; and some of the bizarre and tragic cases where the Agency experimented with mind-control drugs, including the case in which a CIA officer was given, without his knowledge, LSD, which caused a deep depression and eventually his death. (The list in the drug area, however, was far from comprehensive, since the records had apparently been destroyed in 1972.) And there were also a host of instances where the Agency had become involved in the activities of other government agencies, such as the Bureau of Narcotics and Dangerous Drugs and local police departments. Moreover, the list noted the exchange of information on Americans who were deemed to be threats to the security of the Agency. And, in a separate and even more secret annex, the inspector general summarized a 1967 survey of the CIA's involvement in assassination attempts or plans against Castro, Lumumba, and Trujillo.

Security Check

But just as this process was going on—in fact, just when it had barely started—my career took an astonishing turn. Just as Schlesinger was issuing his May 9 call for the family jewels, I received a phone call from Alexander Haig, who had taken over as White House chief of staff for Nixon after Haldeman had been driven out of the job by the Watergate scandal. "Is your secretary on the line, Bill?" he asked. It was normal procedure around Washington to have one's secretary monitor one's calls, and I said yes. "Could you ask her to drop off

I felt I owed Hersh

the interview he requested and could trust his responsibility.



Colby with Seymour Hersh of *The Times*.

please?" I was somewhat surprised, but Haig and I were friends from my time in Vietnam and I said, "Sure." After she dropped off, Al told me the last thing in the world that I had expected to hear. Richard Kleindienst because of his involvement in Watergate had been obliged to resign as Attorney General. Elliot Richardson, then Secretary of Defense, had been nominated to replace him at the Justice Department, and Jim Schlesinger was to be nominated to replace Richardson at Defense. "And the President wants you to take over as director of the CIA, Bill," Haig concluded.

I was both stunned and delighted, and I finally managed to blurt out to Haig that I was honored and appreciative and would do the best I could. "That's fine, Bill," Haig replied. "The President would like you to come to the Cabinet meeting on the tenth, where he intends to make the announcement of Schlesinger's and your nominations."

In retrospect, I must admit there was something rather disconcertingly casual in the process of elevating me to the top CIA job. At the Cabinet meeting the next morning, after a number of other items of business had been attended to and just before my nomination was announced, I noticed President Nixon lean over to whisper something to Haig, and then Haig scribbled a note, which he passed over to me. It asked, "Did you have any connection with Watergate which would raise problems?" I looked across the room at Haig and shook my head no, but it seemed to me a poor way of conducting a security check, and if my answer had been different, continuing to be a few minutes later.

the President announced Schlesinger's

What was most immediately on my mind after my appointment was announced was still, of course, the family jewels. By May 21 the initial summary of them was available from the inspector general. Schlesinger and I agreed that I should let our congressional oversight committee chairmen in both the Senate and the House know that we had assembled them and that we were determined that the CIA remain within its proper limits in the future. In that way we felt these chairmen could help prevent my confirmation hearings from going off into an anti-CIA extravaganza. Consequently, I visited the courtly Senator John C. Stennis at Walter Reed hospital, and after a brief oral summary, he agreed that I meet with Senator Stuart Symington and give him the rundown as well.

Similarly, I made an appointment with Edward Hebert, the former Louisiana newsman who had become chairman of the House Armed Services Committee; he in turn sent me to see Lucien Nedzi, the Michigan liberal Democrat he had selected to chair the intelligence subcommittee of Hebert's committee in order to break out of the tradition of conservative southern protection of the CIA. Three of these men listened to my account of the family jewels without much excitement and accepted my assurances that I would see to it that the CIA conducted its activities in full compliance with its charter in the future. And there was a consensus that these matters of the past should be left in the past in order that the Agency could continue to do its positive work in the present and future.

Expose

The telephone call was from Seymour Hersh, the Pulitzer Prize-winning investigative reporter for *The New York Times*. He rang me up to say excitedly that he had "a story bigger than My Lai" (which, of course, was the story for which he had won his Pulitzer) concerning illegal CIA domestic activities. Now, although Hersh and I could usually be found on the opposite sides of any issue involving the CIA, I had every reason to respect his journalistic integrity. Earlier that year, in February, I had learned that he was inquiring about a rumored deep-ocean CIA operation (later to be revealed as the Glomar Explorer project). I had gone to him then and had requested that he not only not write whatever he knew but that he not even speak of it to anyone. And he obviously honored my request. So now I felt that I both owed him the interview he requested and could trust his responsibility as an American as well as a hard-driving newsman. I invited him to come to my office at Langley to discuss the matter. I also warned Brent Scowcroft at the White House and Con-

CONTINUED

gressman Nedzi that something was up.

Our meeting took place on Friday morning, December 20, 1974. From what Hersh told me—that he had learned from several sources that the CIA had been engaged in a “massive” operation against the antiwar movement, involving wiretaps, break-ins, mail intercepts, and surveillance of American citizens—I realized immediately that he had come upon some disjointed and distorted accounts of several items on our highly secret family jewels list. I didn’t have any trouble imagining just who or what they might be. After all, there were enough former CIA officers around, especially among the thousands fired or retired during the Schlesinger purge of the Agency, who had been privy to one or another of the family jewels. With the unease prevalent in the Agency about Operation Chaos, a journalist of Hersh’s skill would not have found it difficult to get a lead on the CIA’s activities concerning the antiwar movement and quickly build from there admissions about individual wiretaps and other domestic surveillance used by the Agency.

The important point, I emphasized, was that the Agency had conducted its own review of such activities in 1973 and had issued a series of clear directives making plain that the Agency henceforth must and would stay within the law. “So you see, Sy, you would be wrong if you went ahead with your story in the way you’ve laid it out. There certainly was never anything like a ‘massive illegal domestic intelligence operation.’ What few mistakes we made in the past have long before this been corrected. And there is certainly nothing like that going on now.”

But, as subsequent events demonstrated, Hersh didn’t see it my way at all. Indeed, the main thing he took away from our meeting that Friday was the sense that I had confirmed the reports he had heard. And so there it was on Sunday, December 22, splashed across four columns of The New York Times’s front page: **HUGE C.I.A. OPERATION REPORTED IN U.S. AGAINST ANTI-WAR FORCES, OTHER DISSIDENTS IN NIXON YEARS.** And that was followed by the shocking lead paragraph: “The Central Intelligence Agency, directly violating its charter, conducted a massive illegal domestic intelligence operation during the Nixon Administration against the anti-war movement and other dissident groups in the United States, according to well-placed Government sources.”

A press and political fire storm immediately erupted.

I have to admit that I didn’t immediately foresee these traumatic consequences. After all, the CIA had been emblazoned unfavorably in newspaper headlines countless times in the preceding years, most recently in regard to its Chile operations, and had weathered

Kissinger had never seen the “family jewels”—a list of questionable CIA activities.



Colby handed Kissinger the “family jewels.”

those storms. It seemed to me that we could do so again—if we handled the present crisis in a calm and sensible way. And in my view, the calm and sensible way in this case was to counter the distortions and exaggerations of Hersh’s article by publicly telling the true story of Operation Chaos and the rest, conceding the Agency’s few misdeeds in the past, explaining how they had come about, emphasizing that they were few and far between and of a relatively minimal nature, and, above all, stressing that they had been terminated by the Agency itself and reported to Congress in 1973 and that nothing of the sort was going on now nor would anything like it take place in the future. More than anything else, it was the CIA’s experience in Watergate that led me to this strategy.

But when I contacted the White House that Sunday, I found that there was a great deal of concern over there on how to respond to the Times article, which made much more serious charges than I had expected it would when I first discussed Hersh’s call and Friday’s interview with Scowcroft. One of the President’s aides suggested that I phone the President to give him a basis for some comment on the story. He was at the moment en route to Vail, Colorado, for his Christmas vacation, so the White House operator put me on an open circuit to Air Force One, readable by any listening foreign intelligence intercept operators and, so, hardly conducive to a detailed discussion of intelligence affairs.

Mr. President, I said, on the story in The Times this morning, I want to as-

sure you that nothing comparable to the article’s allegations is going on in the Agency at this time.” I then went on to tell him that Hersh had mixed a few disconnected aspects of the CIA’s past but that any such actions had been fully terminated. I concluded by offering to prepare a memorandum, detailing in writing what I had sketched out for him orally and documenting the truth of my assurance that all misdeeds of the past had been corrected in 1973.

Ford thanked me for the call and asked for the report as soon as possible. Then, on arriving in Vail, besieged by the press corps clamoring for a reaction to the Hersh article, Ford issued a statement that, in effect, repeated the assurances I had given him over the phone—namely, that the CIA was not engaged in domestic spying or any other illegal activity at the present time—and said that he was asking Kissinger, as his national security assistant, to obtain a report from me on the subject.

Meanwhile, back at Langley, I set about drawing up my report to the President: “In response to your request for my comments on The New York Times article of December 22 alleging CIA involvement in a ‘massive’ domestic intelligence effort . . .” It took only two days to prepare, summarizing the relevant items on the 1973 jewels list, and I attached a hefty appendix of the Agency directives that ordered a halt to such actions. When it was done, I topped it off with a covering note that pointed out that I had prepared the report in unclassified form (omitting any reference to individuals or intelligence sources and methods) and that it was suitable, therefore, for the President to release forthwith to the press in order to counter the grossly exaggerated impression of the matter given in Hersh’s article. But I did not make an issue of the possible release, as I did not believe in “crowding” a presidential boss.

In the middle of preparing this summary, I received a call from Jim Schlesinger, and I went over to the Defense Department to show him how I was going about handling the crisis. Schlesinger, of course, was more aware of what was going on than most. He knew all about Operation Chaos and the Agency’s other questionable domestic activities on the family jewels list, since he himself had ordered it compiled in the first place. But what he also realized—and what I had totally overlooked—was the fact that neither President Nixon, nor Ford, nor Kissinger, had ever been apprised of the family jewels list.

Now it is important to recall here that the family jewels consisted of nearly 700 individual items, of which the domestic activities covered in the New York Times story represented only a part, although the most important. The list also included the CIA’s assassination attempts against Castro, for example, which had not

leaked to Hersh. At the time, the list was originally drawn up—after my appointment as director of Central Intelligence but before my confirmation hearings—Schlesinger and I had agreed that I take it around to the congressional committee chairmen and fully brief them on it, assassinations and all. But we had not done the same for Nixon or Kissinger, which is something I cannot explain to this day.

Approved For Release 2001/03/06 : CIA-RDP91-00901R000500020003-1

Vice-President Rockefeller even warned me not to tell too many secrets to his commission.

Shall We Tell the President?

That Tuesday evening when I went over to Kissinger's office at the State Department to give him my memo to take to the President in Vail. I also brought with me the complete family jewels list.

Kissinger went through it hurriedly. But when he came to the part about the assassinations he slowed down. "Well, Bill," he said, looking up, "when Hersh's story first came out I thought you should have flatly denied it as totally wrong, but now I see why you couldn't." He then took my report to the President in Vail, where Ford and his staff discussed the next step, and Kissinger filled him in orally on the rest of the jewels. And I hoped Kissinger's greater knowledge would now change his criticism of my strategy, criticism that had been sufficiently strident in Washington circles to cause an old friend to warn me that Kissinger was no friend of mine, that he had been making caustic comments about me in the past two days.

Barbara and the children had left for some Christmas skiing in Pennsylvania and the plan had been for me to join them as soon as possible. But the way things stood, I felt that there was no way I could leave Washington. Obviously Ford and Kissinger would spend the next day or so discussing my memo and the family jewels, and I thought it likely that I would be asked to join them in Vail. But even if I wasn't, I figured that I had best be at my CIA post during this period, because I hoped the President would release my memo to him clarifying and countering the distortions and exaggerations in Hersh's article, and I wanted to be on the scene to handle the deluge of press inquiries that that would surely cause. So I settled down to a bachelor's Christmas week in Washington, waiting to hear from Vail. I waited in vain.

Inside the intelligence community tensions grew. One retired professional asked me sharply whether I was going to try to save the Agency. "Yes," I replied, "but I won't lie and I won't do anything illegal." "Does that mean I would?" he hotly challenged. In the weeks ahead I would have to repeat the exercise many times, answering some officers who asked in fury how a nation that had assigned them difficult and dangerous work in the past could be discussing in secret selecting them for doing it today. And others

wanted me to square the ugly revelations of CIA past behavior with their plea, "What am I going to tell my children?"

Yet during all this uproar I hardly heard a word from Vail. Nor was my memo to the President released, as I had recommended. Ford, Kissinger, and a number of top White House aides had gathered in the Colorado ski resort, and the press reported daily their discussions on the burgeoning CIA crisis and their strategy on how to handle it. But I was not included. I decided that if I would have to fight the problem alone, I at least would be free to use my strategy to save intelligence and not have to defer to every tactical move concocted in the White House.

On January 3, 1975, a day before my fifty-fifth birthday, Ford returned from Vail, and that evening he summoned me to a meeting at the Oval Office. Kissinger, Don Rumsfeld, Phil Buchen, and one or two others of the President's closest advisers were there. We quickly went over my "Vail Report" on the New York Times stories. I had brought a summary of the family jewels, and we went through them, including the assassination plots, in some detail. The fact that these activities had been terminated before Ford took office gave little solace in view of the political difficulties they would nonetheless surely raise for him.

I was then told that Ford was considering appointing a "blue ribbon" commission to conduct an investigation of the CIA's domestic activities to answer The New York Times's charges and, hopefully, to still the outcry and thus prevent a full investigation of intelligence from getting started.

The Rockefeller commission stayed in existence until June, its original three-month mandate extended by two months once its investigations were under way. Its charter had been carefully drawn to authorize it to look into only the CIA's alleged improprieties in the domestic field—Operation Chaos, the mail-intercept program, and so on—and to stay away from the other family jewels. My testimony came down to little more than reiterating and reviewing (and sometimes updating with later revealed details) the memorandum I had prepared for the President when he was in Vail. Of all the members of the commission, only Erwin Griswold, the former Solicitor General, was anything that could be called aggressive. He was a member of the select committee to study governmental op-

erations, and from time to time he would climb on me fairly hard. But even in his case I had no trouble in giving him the full answers he sought. Indeed, if anything, as it turned out, I discovered that I was being somewhat too open and candid for some people's tastes. After my second or third appearance, the commission's chairman, Vice-President Rockefeller, drew me aside into his office at the Old Executive Office Building and said in his most charming manner, "Bill, do you really have to present all this material to us? We realize that there are secrets that you fellows need to keep and so nobody here is going to take it amiss if you feel that there are some questions you can't answer quite as fully as you seem to feel you have to." I got the message quite unmistakably.

Congressional Investigations

The first move by Congress occurred on January 15, two days after my first appearance before the Rockefeller commission, when the intelligence subcommittees of the Senate's Armed Services and Appropriations committees called me to testify at a joint session under the cochairmanship of Senators Stennis and McClellan. Now here, I must say, I was facing a reasonably friendly panel.

So, here again, my testimony essentially amounted to repeating my Vail report. But there was one crucial difference. These senators perceived the intensity of the public clamor and the strong views of their fellow senators, and they knew that a public answer was needed. So they requested that my testimony be released, and since I had testified in terms that in my mind were not classified, I consented. But on my way down from the Hill that afternoon, I realized that I had not told the White House what was coming out in the press the next day, so I stopped there to give Brent Scowcroft a copy of the statement the Senate committees had released, the substance of the statement being well-known at the White House but the fact of its public release being a new bombshell.

My testimony was reported in the media the following day, January 16, and the effect was enormous. The New York Times devoted two full pages to the text of my statement. And I have to admit that it did not, as I had hoped, begin to quiet the storm whirling around the Agency. The years of total secrecy had made the CIA extremely vulnerable to suspicion and sensation. Public ignorance of modern intelligence, the false popular picture of it gleaned from spy novels, and the twisted romanticism of people like Howard Hunt and Gordon Liddy provided a poor framework in which to understand my disclosures.

My testimony was reported in the media the following day, January 16, and the effect was enormous. The New York Times devoted two full pages to the text of my statement. And I have to admit that it did not, as I had hoped, begin to quiet the storm whirling around the Agency. The years of total secrecy had made the CIA extremely vulnerable to suspicion and sensation. Public ignorance of modern intelligence, the false popular picture of it gleaned from spy novels, and the twisted romanticism of people like Howard Hunt and Gordon Liddy provided a poor framework in which to understand my disclosures.

Approved For Release 2001/03/06 : CIA-RDP91-00901R000500020003-1

erations with respect to intelligence activities. It took as its precedent the Senate select committee that had investigated the Watergate scandal and set as its task an inquiry into all CIA activities—not just the matters raised in Hersh's article—past, present, and future. Its chairman was Frank Church of Idaho.

Presidential Leak

Ironically, the White House, which had been the most concerned that something like this should not happen and had invented the Rockefeller commission to prevent it from happening, was responsible for a devastating turn of events. In late January, not long after the formation of the Rockefeller commission, President Ford hosted a luncheon at the White House for the publisher and top editors of *The New York Times*. It was strictly off the record, and during its course, according to a later report, one of the *Times* editors criticized the composition of the Rockefeller commission, saying it didn't seem to be the sort of group that would do the hard-nosed investigation that the public expected. Ford is reported to have replied that he had chosen the membership with extreme care, because he had learned from me (obviously referring to my briefing him on the family jewels) that there were CIA activities that the members might come across in their investigation that were a lot more sensitive than those Hersh had reported on and that, in the nation's best interest, he felt had to remain secret. "Like what?" hard-driving managing editor Abe Rosenthal is said to have asked. "Like assassination," the President is said to have responded, "off the record."

This juicy tidbit of information, in the atmosphere of those times when virtually all the media's efforts were concentrated on ferreting out any CIA activity, was almost impossible to keep from leaking. And, finally, leak it did—to Daniel Schorr of CBS, who, in the middle of a background interview with me on February 27, said that the President had told *The New York Times* that he was concerned about CIA assassinations and then asked me whether the CIA had ever killed anybody in this country. I was so stunned at what motive the President might have had in opening up this topic that I retreated to a longtime practice—only answering the specific question asked. "Not in this country," I replied to Schorr. To his follow-up questions, I limited my remarks simply to pointing out that assassinations had been formally barred in the jewels exercise in 1973. I did this partly because I didn't know how far the President had gone and partly because I had long decided that denying that the CIA had ever assassinated anyone (which is true) immediately evoked the question of whether it had. Approved For Release 2001/03/06 : CIA-RDP91-00901R000500020003-1

Senators were eager to play with the dart gun; the impact on TV was of a wild cloak-and-dagger world.

compounded the President's mistake in this instance. My first answer left open the implication that CIA assassinations had actually taken place abroad. And on the following evening, February 28, Schorr broadcast on CBS that "President Ford has reportedly warned associates that if current investigations go too far they could uncover several assassinations of foreign officials involving the CIA."

There was no stopping the press or Congress now.

Cover-up

There were still some pretty sharp differences of opinion as to the degree to which requests by the congressional committees should be met. Kissinger, Schlesinger, and Scowcroft, for example, were hard-liners, repeatedly arguing for a tough attitude and questioning anything more forthcoming. I argued again and again that it was in our interest to respond to the investigation in a responsible manner and endeavor to develop an understanding of intelligence, rather than an adversary relationship, on the part of the committees. It was when I had finished making this argument one time that Kissinger made his crack about my going to "confession" when I went up to the Hill to testify.

As part of my continuing determination that any illegal or questionable activity of the Agency, past or present, be exposed and halted—in short, that the family jewels list be completely comprehensive and up-to-date, even since its initial compilation in 1973—I had issued a standing order that all CIA officers be on a constant lookout for any such activities and report them to me. Thus, in the spring of 1975, Carl Duckett, the deputy director for science and technology, informed me that he had discovered several bottles of lethal substances—eleven grams of shellfish toxin and eight milligrams of cobra venom—along with some associated equipment with which they could be administered, including a dart gun and other devices, which had been squirreled away in a little-used vaulted storeroom in his directorate. Now, the possession of these materials was unquestionably improper. In 1970, fulfilling a treaty commitment, President Nixon had ordered that all such materials be destroyed. We and, with its approval, to the appropriate

congressional investigating committees.

With this splendid example of the effectiveness of its "investigation" and with its competitive instincts fully aroused, the Church committee decided to hold its first open hearing. So on September 16, I found myself describing, with some wonderment, the story about the poisons and dart gun before the TV cameras.

None of what I said mattered very much. With the lights glaring and the cameras turning, and with every senator eager to play with the dart gun and get his picture taken holding it, the overall impact was of the wildest hugger-mugger of the cloak-and-dagger world. And the only consolation I had—and this I credit to lawyer Mitch Rogovin's careful foresight—was that I, as the director of the CIA, wasn't photographed holding the weapon, because Rogovin grabbed it and passed it to the senators instead of letting a staff member plop it on the table in front of me.

To a large degree, the circus that the Church committee and the media made out of the poisons and dart gun was the last straw for the White House. From the outset I had been aware, of course, that many in the administration did not approve of my cooperative approach to the investigations, and I had felt myself increasingly isolated from the White House "team" as the year progressed. The impact of the toxin spectacular, and especially the fact that I had delivered the dart gun when Congress had demanded it, blew the roof off. From that day forward, gossip and rumor spread like wildfire throughout Washington that my days were numbered.

Fired

On Saturday, November 1, I went out to National Airport to catch a plane for Jacksonville, Florida, where I was scheduled to meet with Egyptian president Anwar el-Sadat to discuss intelligence matters in the Middle East. The meeting, as I noted earlier, never took place because Barbara Walters had completely captured the Egyptian president's attention. And when I returned to Washington that night, I was greeted by a message from John Marsh asking me to be in the Oval Office at eight the following (Sunday) morning. It was there and then that the President asked for my resignation as director of Central Intelligence.

After Barbara and I had alerted our family so they wouldn't be shocked at the news, we went over to visit the Schlesingers that Sunday evening to hold a bit of a joint wake, since the news was now out that Jim had also been fired as Secretary of Defense. He was surprised, and a bit pleased, that I had also turned down the consolation-prize job Ford had offered, and then he smiled at me and said, "It us." ‡

The former head of the CIA sets forth a very specific plan for interdependence between rich and poor

STATINTL

STATINTL

Food Stamps for International Neighbors

William E. Colby

A new international economic order, strategic arms limitations, the interminable problems of the Middle East—these and many other foreign problems swirl around the average American citizen in a dazzle of complexity. The language of concern in which these and other issues are debated falls on ears that heard the equally serious and sincere language leading to the massive and mistaken involvement in Vietnam. And serious academics publish revisionist histories that contend that the cold war that inobilized the nation's energies for two decades came more from American aggressiveness than from foreign threat. A new generation of Americans turns its main attention away from such faraway, difficult, and ambiguous problems to ones closer to home, such as energy, the environment, and the economy.

But close to home lies an easily understood danger to the United States. It invites the engagement of the best minds and the good will of our citizens. It might open new avenues for the solution of some of the larger and more distant problems of the future world. The danger is not one of immediate catastrophe, but its advent is predictable and certain and calls for rapid preventive action to avert enormous human and economic loss.

Simple mathematics displays the problem. The population of Mexico today is slightly over 60 million and is growing at some 3.5 per cent per year. Projection of the Mexican population by the end of the century, less than twenty-five years away, is about 120 million, with no opportunity for population control measures to reduce this by any significant degree. At present the number of Mexicans illegally in the United States in search of the jobs they cannot find at home is estimated at between 5 and 8 million. Among the additional 60 million Mexicans who will be present by the year 2000 it is obvious that a substantial proportion will make their way to the United States. Our border and immigration services will be helpless before this flood, dwarfing the flow that

already overwhelms them; the resulting social tensions between the Spanish and English-speaking communities will produce violence, misery, and turmoil. Mexico's recently found oil may alleviate that government's balance of payments and budgetary problems, but it certainly cannot provide the basis for jobs and industry to absorb its multiplying population in the few years available. Both within Mexico and between Mexicans and North Americans the affluence of the favored will come under increasing pressure from the misery and bitterness of the poor who strike at the steadily widening gap between them.

On a smaller scale there are equally predictable problems with respect to the rest of Central America and the islands of the Caribbean. The 19 million in the former and the 17 million in the latter (including Cuba but excluding Puerto Rico) face similar prospects of excess population, limited economic opportunity, and illegal migration to the rumored El Dorado of the north, exacerbated in many situations by the presence in their midst of dreamlike palaces for the holidays of the favored northerners. A more explosive mixture would be difficult to concoct, and the steady increase in pressure inside the regional chamber will make more certain the detonation when a spark ignites it.

Some idea of the social costs of allowing this process to run its course can be derived from the analogous, if not completely comparable, relationship between North and South within the United States after 1920. Then, too, millions of poverty-level black Southerners sought better lives in Northern cities than the rural South could offer, crowding the ghettos of New York, Detroit, and Chicago. The South sought capital for development of its "sunbelt" by offering low wages, minimum restrictions on new industry, and financial incentives to factories to shut their doors in New England and move, producing unemployment and depression in sections of the North. The social, cultural, and racial chasms between the new arrivals and the previous occupants of the urban centers of the North generated riots and violence at times and, more

routinely, flight to the suburbs, thus producing the disaster of our central cities today.

The larger and more ominous process is already at work. Puerto Ricans have been supplemented by many others from the Caribbean to produce Spanish-speaking subworlds in sections of New York; waves of "wet-backs" spread through Texas and the Southwest, and Miami's Cuban colony is only different because, in great part, it consisted of upper-class political emigrés rather than the barely educated rural poor. Much of this new generation of "huddled masses" making their way to the United States faces the extra hurdle to assimilation of race, which we have not yet overcome even for our own citizens.

The significance of this analogy is the degree to which the social costs of the process were borne by the North in the United States, not merely by those involved in the migration. The lesson for today is that the costs of a similar process with respect to Central America and the Caribbean will bear heavily upon the U.S. In addition to the social injury it would do to our society internally this prospect has a great potential for outside harm. The effect of aroused Caribbeans and Central Americans among their ideological fellows of the Third World could create frustrations leading to violence and terror, with nuclear proliferation a nightmare prospect all too possible. Humanitarian concern about the grim prospects facing our southern neighbors thus combines with simple self-interest to compel a better solution than we in the United States found for our internal migration. This differentiates the problem from the more general one of our relations with Latin America as a whole, as the nations farther south do not face the kind of future our close neighbors do.

The first step in meeting this situation is to get public acceptance of the fact that it is indeed *our* problem; it is not another call for charity. Interdependence with the Third World as a whole is difficult for the normal citizen to grasp, but the certain overpopulation and further deterioration of our cities can be understood as something tangible. It is not difficult to perceive that it is a joint problem facing our near neighbors and ourselves, calling for joint solutions within our community. Cooperation will not be easy for either side. It is not easy for the United States to seek help from these smaller nations to meet its problem, nor for these nations to overcome their emotional resistance to working with the Yankee colossus in these days of Third World assertiveness.

But a structure can be developed for meeting the problem on a common basis. Both we and they have an incentive to do so, and collaboration as equals can produce the mutual respect necessary for a long-term relationship as fellow members of an American community. Political independence and sovereignty must be recognized along with economic and social interdependence. The progress of the European Community, which followed a strategy of working on the practical levels of economic interdependence while leaving political machinery essentially unchallenged, provides confidence that a similar approach is possible. Admittedly, the imbalances around the Caribbean basin are of a different order of magnitude than those of Europe.

The first element of such a strategy must focus on the principal factor involved, the present and probable future poverty of large numbers of the population in the southern region. That produces the pressures that push them north in search of jobs or simple escape, that continues the high birthrates, and that exacerbates envy and bitterness over the affluence of the *Yanquis*. This poverty requires a frontal approach, not merely the longer term hope of elimination through development. The United States has a tool for the purpose: the food stamp program that benefits almost 20 million of its own citizens. America's incredibly productive agriculture could easily supply food for the poor to our south, rather than reverting to the unacceptable policy of withholding production in the U.S. because of an apparent market glut while people who cannot generate a market demand in monetary terms go hungry. The food stamp machinery would provide a number of benefits over other techniques of providing aid.

The key feature of the food stamp is that it would be placed in the hands of the individual poor citizen, who would not only receive its benefits but would clearly recognize its origins. He would use the stamp in the normal market, where it would amount to an income supplement for his food needs. The market machinery would handle the logistics by using food stamps to pay for the import of U.S.-produced food, and the banking system could process this special form of "currency." Distribution of the stamps would be through several channels: voluntary and charitable organizations, nascent enterprises selected for incentive encouragement (for example, agricultural development projects) for partial payment of wage costs, and through government machinery. Accounting controls and a joint inspection service would be necessary to prevent abuse and partiality, but the visibility of the program and the stamps themselves at the market would generate public protest against substantial misuse. In addition, the impact of possible termination would induce public pressure to keep the program working fairly.

The use of stamps would provide another benefit, as the supply of stamps could be related to the prices of local agricultural products. The supply could be increased when these prices rose as a result of shortages and reduced when they fell, reflecting greater local production. This would avoid the danger of disincentives to local agricultural development and tendencies toward permanent dependency. These flexibilities show the food stamp's superiority to the PL 480 Food for Peace techniques. Under PL 480, shipment of the actual products is either for sale to the individual (and credit of the proceeds to government projects [Title I]) or distribution in kind, primarily through voluntary organizations (Title II). In both cases the American source of the assistance tends to be obscured by the intermediaries rather than brought home to the individual recipient.

The second major element of a new strategy would be to open United States borders to free entry of citizens of participating neighboring countries for job openings that had been registered with official employment services. Such jobs would have

Approved For Release 2001/03/06 : CIA-RDP91-00901R000500020003-1

be a first priority with priority to the agricultural sector. This would not likely generate a large flow, but it would produce some immigration and, to that degree, reduce the pressure of illegal immigration. It would also improve the control and care of migrant workers. Any individual entering into such arrangement should be made eligible for welfare in the U.S. for a period after such employment ceased if he could not locate another job. He would also receive food stamp assistance upon returning to his country of origin for a period of time reflecting his time in the U.S. Social Security benefits proportional to his service (in a separate fund for this purpose) could be made payable in his country of origin. The purpose of these provisions is to encourage legal residence in the United States over illegal residence and also to encourage return to the country of origin. If it operates to increase official immigration, it would in fact replace only that degree of illegal immigration. Such official entry would also help ensure that minimum wage and other protections for the immigrant are respected by his employers. Employers would no longer be able to plead the need to circumvent the employment machinery by hiring illegal immigrants; the official employment machinery would be adequate to their needs.

The third element of the strategy is the familiar one of encouraging and aiding economic development in the countries of Central America and the Caribbean. The need is to increase employment opportunities for potential migrants in their home countries. In the U.S. scale of priorities this area of the world should lead the list when it comes to foreign aid appropriations. In addition to official aid to and through governments and international agencies, development assistance should be increased from private investment. On the world scale private investment now exceeds the flow of official assistance to developing countries from member nations of the Organization for Economic Cooperation and Development (OECD). While much of this goes to the better-off Third World rather than to the poverty-stricken Fourth World nations, several in the Caribbean area—such as Mexico and Panama—already benefit from a substantial amount of it. As part of an overall strategy, bilateral arrangements might be made with a number of our southern neighbors, not only to offer investment incentives to private capital, but also for the United States to extend its present tax incentives for Western Hemisphere trading corporations to invest in development projects in participating neighboring nations. In particular these incentives should apply to investment in labor-intensive agricultural development programs and in mineral extraction and light industry for local consumption, rather than in capital-intensive heavy industry for export and competition with established U.S. concerns.

Of course such investment arrangements must meet the expectations of other governments that a new era has dawned, that the old days of Yankee economic imperialism are past. Thus entry for such private investment must be accompanied by restraints on its operations, such as limits on the degree of

assurances with respect to the payment of minimum wages, and adherence to local regulations. There must also be negotiated levels of reinvestment of profits within the country, relative to the amounts repatriated to the foreign investors. These arrangements should also require adherence to the OECD guidelines for international investment and multinational enterprises. This combination of incentive and control could increase the speed of development, provide employment for many in the coming generations, and preserve the dignity and independence of these societies.

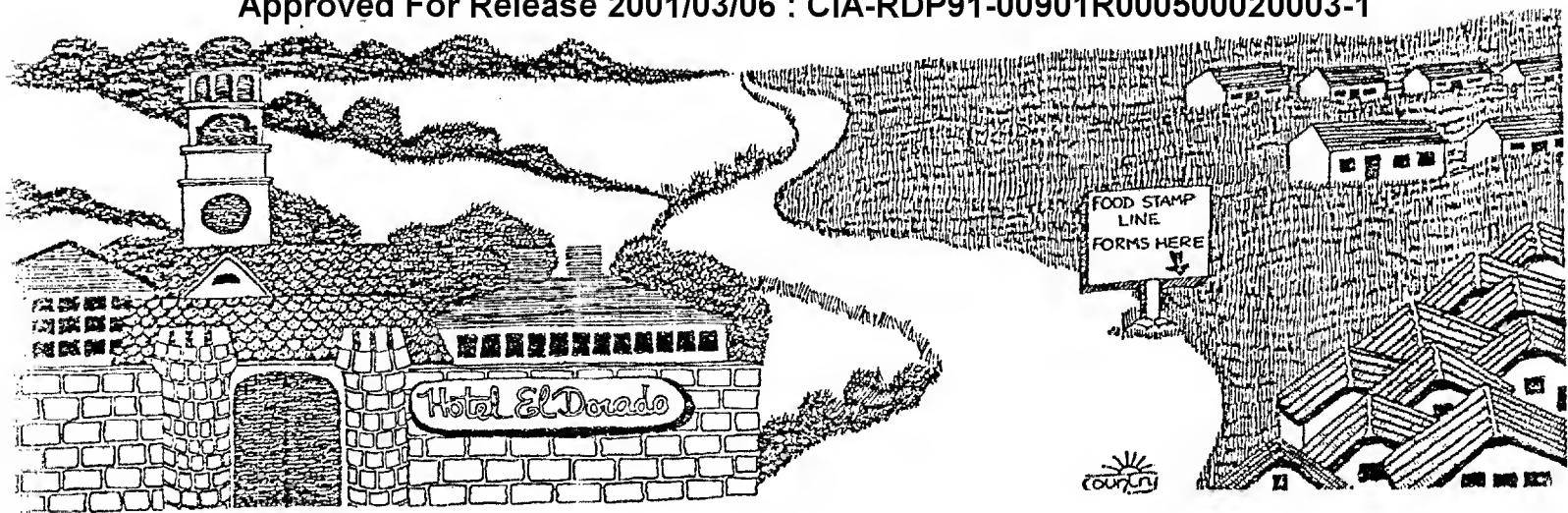
The fourth and final element of the strategy must consider the interests of established industries and workers in the United States. We need to avoid a repeat of New England's crisis when its textile and other factories fled to the cheap labor of the South. Countervailing tariff duties could be imposed on directly competing products of fugitive producers whose new labor costs undercut those of the U.S. But to carry out the overall strategy such duties should have a time-graduated scale, stepping downward over a period of a few years, and they should be integrated with a program of adjustment assistance for workers affected by the cheaper imports. They can be trained and assisted to relocate in other work of higher productivity more characteristic of the potential of United States workers. This would provide both the incentive for development investment and the necessary cushion for U.S. interests.

Some idea of a price tag for such a total strategy can be gained by projecting from somewhat similar existing programs. To service the 19 million people who have benefited from food stamps—about 8 per cent of our population—the annual cost to the federal budget in 1976 was some \$5.6 billion, or about \$310.00 per recipient (individual and family). A direct application of this experience to our southern neighbor nations presents the following picture:

	Population	8 per cent	U.S. cost per person	U.S. cost
Mexico	62,000,000	5,000,000	\$310	\$1,550,000,000
Central America	19,000,000	1,520,000	\$310	\$ 471,000,000
Caribbean	17,000,000	1,360,000	\$310	\$ 421,000,000

Of course the U.S. cost experience would not be repeated exactly. The percentage of the population needing assistance would be greater in several nations. At the same time, several nations would likely reject the program initially; for example, Cuba with its 9.3 million population would subtract almost 750,000 from the total of participants listed above. Since the program would have to be negotiated with each nation concerned, the percentage of participants could be controlled at all times, increasing only after experience showed its value for the costs involved. A reasonable initial target, then, might be 15 per cent of the population of participating nations.

The cost per person of \$310.00 in the analysis above would be far above the figure that would be needed in a



neighbor's program. The U.S. food stamp buys food on the American grocery store shelf, with its processing and packaging expenses included. A foreign program could be limited to such basic foods as flour, rice, beans, and so forth. Actually, that is the way the poorer markets to the south operate anyway, with the family doing the cooking and seasoning. This reduces the annual cost per recipient by at least two-thirds; a \$100.00 cost per recipient would undoubtedly prove more than adequate.

Thus a substantial food stamp program among these nations could readily be carried out within the following maximum annual appropriations:

	Population	15 per cent	U.S. cost per person	U.S. cost
Mexico	62,000,000	9,300,000	\$100	\$ 930,000,000
Central America	19,000,000	2,850,000	\$100	\$ 285,000,000
Caribbean (less Cuba)	8,000,000	1,200,000	\$100	\$ 120,000,000
		<i>Total</i>		<i>\$1,335,000,000</i>

In addition these appropriations would, of course, go to our own agricultural sector, where they would recycle into the U.S. economy.

The other elements of the strategy would not add a large additional cost. Assistance to legal migrants would add little to the costs of reacting to the present flow of illegal ones. The development aid could be found in present appropriations for such assistance by favoring the countries participating in this program. The adjustment assistance for American labor also exists in present programs, needing only new direction to support this strategy.

The costs involved are modest when compared to the social costs to U.S. communities if the certain flood of illegal migrants occurs. Add to this the costs of vainly attempting to hold back the flood through enforcement of present legislation, and the potential defense costs in a very few years of facing a poor and hostile set of neighbors on our southern borders. Again, the North-South experience within the United States offers a sad example of social costs. Those costs far exceed, even today, the amounts required to prevent a repetition of that experience in this larger arena.

This strategy is complex and subject to attack as too sweeping. It would have to survive the many hurdles posed by diplomatic negotiations and domestic legislation. But the administrative tools exist to implement it, from the Agency for International Development to the United States Employment Service. Variants in the design could emerge from congressional debate and negotiations and could be incorporated within its overall strategic concepts. Clearly governments of partner nations would have the option to join or reject the scheme; but the experience of the Puerto Rican people, who have benefited from a somewhat similar relationship in the field of welfare assistance and capital invitation, suggests that it would possess substantial political appeal. Puerto Rico's experience has not been perfect, of course, but the contrast between Puerto Rico's average hourly wage in manufacturing (\$2.59) and the Dominican Republic's (70 cents) would be a high price for a reluctant government to explain to its voters.

The charge might be made that this strategy represents a new form of Yankee imperialism that limits the sovereignty and independence of the smaller nations to our south. Joint, bilateral management of the effort with each nation involved would demonstrate that this need not be the case. Indeed, for other nations this would be a less humiliating way of solving a joint problem than condoning a continued flow of cheap and exploited labor to the United States. There must also be assurance that the U.S. cannot abruptly and unilaterally terminate its part in the program. The smaller governments must not be under the threat of either complying with U.S. wishes on unrelated issues or else facing a hungry popular outcry.

With such provisions for respect of their sovereignty, an invitation to participate in the economy and welfare system of the United States need in no way require these nations to surrender their independence in the political field. The obvious objective of the scheme is to forestall the growth of frustration and hostility and replace them with an attitude of cooperation to overcome our interdependent difficulties. Food stamps would bring this point home to each recipient and voter to our south; such solid evidence of United States concern for their personal welfare would contrast with whatever hostile demagoguery might be asserted by opponents.